

voestalpine AG to close TSTG Schienen Technik – lack of cost-efficiency makes step unavoidable

The Management Board of voestalpine AG decided today, Tuesday, to end production at its Duisberg subsidiary, TSTG Schienentechnik GmbH & Co KG (“TSTG”). The decision is based on the site’s inability to operate cost-effectively. It is no longer possible to produce rails competitively at the site over the long term. Closure will take place at the end of 2012 at the earliest. Investigations are currently going on into ways of supporting the approximately 350 employees affected. The management at TSTG will enter discussions with several partners, with the aim of enabling employees to transfer into new positions. The TSTG management will start negotiations with employee representatives over a coordination of interests and a social compensation plan.

Duisberg/Linz, March 13, 2012 “We deeply regret having to have to take this step”, says Franz Kainersdorfer, member of the voestalpine AG Management Board. “Production at the Duisberg-Bruckhausen site is not cost-effective and this is primarily due to market factors”. Over the past years TSTG Schienentechnik GmbH & Co KG in Duisberg has been contending with declining capacity utilization levels, recently generating significant losses. Excess capacity in the market impacted the competitive environment and lead to a strong decline in price levels. Against this background, the site in Duisberg is no longer able to produce without making losses. Therefore voestalpine AG has decided to withdraw from the standard rail production segment.

All existing customer orders will be carried out as contracted. The aim is to help employees affected by the closure to find new jobs. Opportunities for transferring employees to other Group companies are also being examined. Closure will take place at the end of 2012 at the earliest, subject to the participation and co-determination rights of the employee representatives, and subject to the corresponding decisions being taken by the boards of the Group companies affected.

The voestalpine Group

voestalpine is a globally active group with a variety of specialized and flexible companies which produce, process, and further develop high-quality steel products. The group is represented by 360 production and sales companies in more than 60 countries on five continents.

With its highest quality flat steel products, voestalpine is one of Europe's leading partners to the

automotive, white goods, and energy industries. Furthermore, voestalpine is the world market leader in turnout technology, tool steel, and special sections, as well as number one in Europe in the production of rails. In the business year 2010/11, the voestalpine Group generated revenues of around EUR 11 billion, and achieved an operating result (EBIT) of almost EUR 1 billion; the Group has around 47,000 employees worldwide.

We are also happy to meet locally to answer questions. Please contact Gerhard Kürner and Denise Bayer to organise meeting times: Tel. +49 (0)152 228 14144, E-Mail: voestalpine@fischerappelt.de.

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